

Management System: Real Property Management**Subject Area: Acquisition of Real Property****Procedure: Acquiring a Lease by DOE**

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1.0 Applicability

Acquiring a Lease by DOE under the following authorities:

- Under the DOE Organization Act, Public Law 95-91;
- P.L. 83-703 (69 Stat. 919), The Atomic Energy Act of 1954 - Section 161g or
- Under the U.S. General Services Administration (GSA) Delegated Authority

This procedure applies to the U.S. Department of Energy, Office of Environmental Management Consolidated Business Center (EMCBC). Often, budgetary and management considerations will lead to the conclusion that acquisition of a leasehold interest in real property is more beneficial to the Government than fee ownership. Public Law 95-91, Section 647, *U.S. Department of Energy Organization Act*, and P. L. 83-703 (69 Stat. 919), *The Atomic Energy Act of 1954* – Section 161g, authorizes DOE to acquire by lease, real property other than office space necessary to accomplish its mission.

When space is leased under a Delegation of Authority from the U.S. General Services Administration (GSA), DOE may enter into a long-term lease, as specified in the delegation, without obligating funds beyond the current year liability.

Leases may be used to acquire needed special purpose facilities and land. When leasing building space, all leased space must be acquired, designed, and occupied in a manner which meets all legal and regulatory requirements. For detailed reference material, refer to the DOE *Real Property Desk Guide*.

All Federal agencies must follow the budget scoring rules for leases, capital leases, and lease-purchases identified in Appendices A and B of OMB Circular A-11, "*Preparation, Submission and Execution of the Budget*."

2.0 Required Procedure

Step 1	To determine the need to acquire a lease, collaborative effort by the Program Office, the EM Office of Chief Counsel, and the fiscal/budgetary offices, along with the Certified Realty Specialist (CRS) develops the justification for the project. Such justification should include a detailed explanation of the purpose, the estimated land area required and the square footage for any improvements, the location, and the estimated time period for the need.
Step 2	The CRS determines whether a Preliminary Real Estate Plan (PREP) is required (see <i>Real Property Desk Guide</i> , Chapter 5).
Step 3	The CRS coordinates with the GSA, and if appropriate, local DOE offices, and other Federal property holding agencies to determine if the program need can be satisfied by Government-owned property.
Step 4	<ol style="list-style-type: none"> If Government-owned space is available, the CRS will notify the appropriate DOE offices, and will work with the agency controlling the space to assign the space to DOE. If Government-owned space is not available, the CRS will notify the appropriate DOE offices, and will start the process to acquire the space by lease.
Step 5	<p>The CRS conducts a market survey of available properties. The market survey should include as a minimum:</p> <ul style="list-style-type: none"> • The name and address of the building visited; • The amount of space available; • Current and proposed rental rates; • Services included in the rental; • Length of proposed rental agreements; and • Condition, age updates, and modifications of the building.
Step 6	The CRS advertises only for space equal to or greater than 10,000 square feet. The CRS will notify EM HQ Office of Safety, Security, and Infrastructure via email of all new lease space of 10,000 square feet or more.
Step 7	<p>The CRS prepares and issues a Solicitation for Offers (SFO). The SFO normally consists of:</p> <ul style="list-style-type: none"> • General space requirements, including evaluation and award factors; • General building requirements including architectural, mechanical, electrical, plumbing, etc;

	<ul style="list-style-type: none"> • Services, utilities and maintenance; • Special requirements; • Safety and fire prevention requirements; • Required Terms and Conditions; and/or • New leases, including build-to-suite lease solicitations are to include a preference for buildings certified to the LEED Gold Standard (see Executive Order [E.O.] 13423, <i>Strengthening Federal Environmental, Energy, and Transportation Management</i>).
Step 8	<p>The CRS evaluates offers in accordance with the SFO, negotiates with offeror's, and prepares negotiation report.</p> <p>Offerors not meeting the minimum requirements of the solicitation will not be considered further.</p> <p>A determination of which offer represents the best value to the government is made.</p>
Step 9	The CRS issues the letter to the offeror's representing the best value to the government for the best and final offers.
Step 10	CRS evaluates the final offers and makes a selection.
Step 11	If applicable the CRS requests an appraisal. The CRS can waive this requirement provided that detailed market survey information is available.
Step 12	<p>The CRS prepares and submits a complete lease agreement including all clauses and certifications to the Real Estate Committee or appropriate personnel for review and comment. The CRS works to resolve any concerns.</p> <p>NOTE: Additional subject matter experts may be consulted during the review process as necessary to ensure that other areas are adequately covered.</p>
Step 13	The CRS works with the Prospective Lessor to adequately address the concerns and revises the lease accordingly.
Step 14	Upon receipt of Lessor executed lease agreement, the authorized Real Estate Contracting Officer or DOE's Designee, as stated in the re-delegation of Real Property Authority signs the lease agreement, fully executing the Lease.
Step 15	The CRS retains an original signed copy of the lease agreement.
Step 16	The CRS and appropriate DOE Headquarters or Field Office, usually the Field

	Office, inspects and accepts the space prior to occupancy.
Step 17	The Facilities Information Management System (FIMS) Administrator will enter the information in the FIMS database.

3.0 References – Forms/Attachments/Exhibits

3.1 References:

- DOE Real Property Desk Guide, dated June 2014
- DOE Order 430.1b, Real Property Asset Management
- E.O. 13423, Strengthening Federal Environmental, Energy, and Transportation Management
- E.O. 13514, Federal Leadership in Environmental, Energy, and Economic Performance
- OMB Circular A-11, Appendices A and B, "Preparation, Submission and Execution of the Budget"
- P.L. 95-91, U.S. Department of Energy Organization Act
- P. L. 83-703 (69 Stat. 919), The Atomic Energy Act of 1954 – Section 161g

4.0 Records Generated

Records generated through implementation of this procedure are identified as follows and are maintained by the Office of Technical Support and Asset Management in accordance with the EMCBC Organizational File Plan:

Records Category Code	Records Title	Responsible Organization	QA Classification (Lifetime, Non-Permanent, or Not Applicable)
ADM 03-01-A	Real Property Files – Original Executed Lease and Supporting Documentation	Office of Technical Support and Asset Management	N/A

EMCBC RECORD OF REVISION

DOCUMENT TITLE: Acquiring a Lease by DOE

If there are changes to the controlled document before the two-year review cycle, the revision number stays the same; one of the following will indicate the change:

I Placing a vertical black line in the left margin adjacent to sentence or paragraph that was revised; or

I Placing the words GENERAL REVISION at the beginning of the text. This statement is used when entire sections of the document are revised.

If changes and updates occur at the two-year review cycle, the revision number increases by one.

Rev. No.	Description of Changes	Revision on Pages	Date
0	Initial Document		3/5/2015